

Federal Financial Relief Programs

On March 20, the U.S. Department of Treasury, Internal Revenue Service (IRS) and U.S. Department of Labor announced, under the Families First Coronavirus Relief Act (Act), that small and midsize employers may begin taking advantage of two new refundable payroll tax credits. The Act will allow employers to be fully reimbursed for the cost of providing COVID-19-related leave to their employees. For more information about these credits and other relief, visit [Coronavirus Tax Relief](#) on [IRS.gov](#).

Small Business Relief: Payroll Protection Program (PPP)

The loans would be 100% federally-guaranteed to employers who maintain their payroll during this crisis. If employers maintain their payroll, then there is opportunity for the loan – or at least parts of the loan – to be forgiven (more below).

The PPP will allow forgiveness for up to eight weeks of payroll, based on employee retention and salary levels., no Small Business Administration (SBA) fees; and at least six months of deferral of repayment with maximum deferrals of up to a year. Also, the interest rate cannot exceed 4%, interest payments are completely deferred for up to one year, and there is no prepayment penalty. Treasury also states that 75% of the funding must be related to personnel, but the funding can also be used to pay rent/mortgage costs.

The PPP loans will come from over 1,800 banks and other financial institutions across the country. Loans for small businesses and non-profits will start being made on April 3, and the date for loans to sole proprietors and independent contractors is April 10. Funds will be disbursed the same day the loan application is submitted.

Loans will be available **through June 30, 2020**. The SBA has authority to delegate lending for the PPP to eligible, authorized lenders. Additional information can be found on the [U.S. Small Business Administration](#) or [U.S Department of Treasury](#) websites (see red banner at the top of the website).

For more information about [Payroll Protection Program Application](#), please see the [Small Business Guide and Checklist](#) prepared by the U.S. Chamber of Commerce. Eligible entities may only receive one PPP loan. As noted above, the PPP may be used to subsidize certain existing SBA 7(a) Loans.

Additional Small Business Relief Opportunities

Economic Injury Disaster Loan (EIDL)

Under this program, the SBA can provide up to \$2M in financial assistance (the actual amounts are based on the level of economic injury) to small businesses or private non-profits that suffer economic injury as a result of a declared disaster, regardless of whether the applicant sustained physician damage. Note that EIDLs are NOT intended to replace lost sales or revenues. Generally, EIDLs must be located in a disaster-declared county or a contiguous county.

SBA Economic Injury Emergency Grant Program

This program provides emergency advances of up to \$10,000 to small business and private non-profits harmed by COVID-19 within 3 days of applying for an EIDL. To access the advance, you must first apply for an EIDL and then request the advance. The advance does NOT need to be repaid under any circumstance and may be used

to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply-chain disruptions, or pay business obligations (debts, rent and mortgage payments). For additional information, see the [U.S. SBA Fact Sheet](#).

State Financial Relief Programs

On March 25, Gov. Pritzker announced a new package of emergency assistance programs for small businesses in need of additional capital, totaling more than \$90 million. Below are several links that will help guide you to valuable small business resources.

Illinois Department of Commerce and Economic Opportunities Small Businesses Emergency Assistance Programs

Illinois businesses will be able to apply to these programs on the Department of Commerce and Economic Opportunity (DCEO) website at [Emergency Small Business Grants and Loans Assistance](#). The package includes three new programs that have been made available for small businesses seeking financial relief.

Illinois Small Business Emergency Loan Fund

DCEO and the Illinois Department of Financial and Professional Regulation (IDFPR) are partnering with Accion, the Illinois Bankers Association and the Community Bankers Association of Illinois to create this fund. Loans will be supported by a \$30 million loan loss reserve, consisting of \$20 million of DCEO funds and \$10 million in funds secured in partnership with the Illinois banking community.

Businesses with fewer than 50 employees and less than \$3 million in revenue in 2019 will be eligible to apply. Successful applicants will owe nothing for six months and will then begin making fixed payments at 3% interest for the remainder of a five-year loan term. Applications are available on [DCEO's website](#).

Downstate Small Business Stabilization Program

These grants will offer businesses of up to 50 employees the opportunity to partner with their local governments to obtain grants of up to \$25,000 in working capital. The program redeploys Community Development Block Grant funds to support local small businesses. The grants will be offered on a rolling basis. Applications are available on [DCEO's website](#).

Chicago Small Business Resiliency Fund

The City of Chicago is establishing a \$100 million Chicago Small Business Resiliency Fund, which will help to provide small businesses with emergency cash flow during this immediate health crisis. Funds will be provided to eligible businesses as low-interest loans.

The Fund is seeded through \$25 million from the City of Chicago, \$50 million from the Chicago Community Catalyst Fund, \$10 million through Goldman Sachs Urban Investment Group, \$1 million from Fifth Third, \$250,000 from Clayco and \$15 million from other sources.

Loan applications will be administered through the City's Community Development Financial Institution (CDFI) partners. The loan terms will follow the guidelines below:

1. Repayment Term: Low-interest loans are available for a term of up to five years.
2. Loan Amount: Up to \$50,000 is available but the amount will be sized based on revenues before the COVID-19 outbreak.
3. Loan Proceeds: Proceeds are required to be used for working capital. At least 50% of proceeds should be applied toward payroll and commitment to retain the workforce at 50% of pre-COVID-19 levels.

To be eligible, businesses must meet the following requirements

- Suffered more than 25% revenue decrease due to COVID-19
- Employ fewer than 50 employees and have gross revenues of less than \$3 million in 2019
- Provide a city business address or city business license
- No pre-existing tax liens or legal judgments

In addition, please be prepared to provide the following information:

- Bank statements dating back to October 2019
- Most recent tax returns
- Photo ID (CityKey will be accepted)

Visit the [Chicago Small Business Resiliency Fund](#) website to find more information.

Illinois Department of Commerce and Economic Development (DCEO) Small Business and other resources

DCEO is working diligently to secure access to resources for small businesses throughout Illinois and has compiled these helpful links regarding COVID 19 resources for small businesses. [Click here](#) for links to the **SBA online Loan Application, Small Business COVID-19 Small Business Guidance & Loan Resources** and **Illinois District Office Webinars**. The DCEO will continue to update this page as more information becomes available.

We encourage you to consult your tax and financial advisors on any programs that may provide assistance to your practices and employees. Please reach out to Meghann Peiffle, director of Provider Relations at meghann.peiffle@nm.org or 847.652.5851 with additional questions.